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UNITED STATES AND LAOS CONCLUDE BILATERAL TRADE AGREEMENT

Officials from the United States and Laos concluded negotiations on a bilateral trade agreement and a bilateral investment treaty, USTR announced today. The talks, which concluded on August 13, resulted in comprehensive agreements aimed at normalizing economic relations between the two countries. "These agreements form a solid basis for establishing trade and investment relations between the United States and Laos," said USTR General Counsel Susan Esserman. "They will expand opportunities for U.S. companies wishing to do business in Laos, and send an important signal of Laos' efforts to integrate into the world economy."

The U.S. - Laos bilateral trade agreement is necessary for the granting of normal trade status (i.e., most-favored nation treatment) to Laos. Congress must also enact pending legislation authorizing the granting of normal trade relations to Laos before such status can take effect. The trade agreement comprehensively addresses key trade issues between the two countries, including provisions relating to U.S. market access for goods and services in Laos, and the protection of intellectual property rights. Among the elements of the agreements are limitations on the use of non-tariff impediments to trade, specific commitments to market access in a broad range of services sectors, and comprehensive commitments to protect all forms of intellectual property and enforcement requirements against intellectual property piracy.

The U.S. - Laos bilateral investment treaty guarantees investors of each country the right to invest in the other country on terms no less favorable than those accorded domestic or third-country investors, in most sectors. It also guarantees the free transfer of capital, profits and royalties, freedom from performance requirements that distort trade and investment flows, access to international arbitration, and internationally recognized standards for expropriation and compensation. This is the first bilateral investment treaty concluded with a Southeast Asian nation. The treaty will be transmitted to the Senate for advice and consent.